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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - AUGUST 1975

The Chattanooga Order MINIMUM uniform producer price is \$8.95 per cwt. at pool plants for milk testing 3.5% butterfat. The Producer butterfat differential is 9.6 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$0.74 above August 1974 and an increase of 19 cents above July 1975.

In August 1975, 80.2% of producer milk received by pool plants was priced in Class I at \$9.26 per cwt., 12.7% was priced in Class II at \$7.80 per cwt. and 7.1% was priced in Class III at \$7.70 per cwt. for milk testing 3.5% butterfat. The August butterfat differential for all milk testing above or below 3.5% is 9.6 cents.

Total producer milk received at pool plants during August 1975 was 29,932,874 pounds which is an increase of 4,265,855 pounds or a daily average increase of 16.6% compared with August 1974. The August daily average deliveries from 612 producers was 1,578 pounds. This compares to 579 farms delivering a daily average of 1,430 pounds per day during August 1974.

MILK PRODUCTION

JULY MILK PRODUCTION 1 PERCENT BELOW LAST YEAR

The United States milk production for July is estimated at 9,998 million pounds, down 1.4 percent from a year earlier according to the Crop Reporting Board. Production for the first 7 months of 1975 was 69,467 million pounds, a decrease of 0.3 percent from the same period last year and 1.4 percent below 1973.

PRODUCTION PER COW DOWN SLIGHTLY, MILK COWS DOWN 0.6 PERCENT

July milk production per cow averaged 897 pounds, down 8 pounds from a year ago but 16 pounds above July 1973.

Milk cows on farms during July totaled 11,142,000 head, down 0.6 percent from a year ago and 2.0 percent from 1973. The estimated number of cows is 5,000 below last month.

MILK FEED PRICE RATIO UP FROM LAST MONTH AND LAST YEAR

The July milk-feed price ratio, at 1.39, was 2 percent above June and 7 percent above July 1974. The average price of milk sold to plants was above the previous month in all regions. The average value of grain and other concentrates fed milk cows was above the previous month in all but the Western region.

Source: Milk Production - USDA, Statistical Reporting Service, August 12, 1975

COMPARISON OF MILK RECEIPTS AND UTILIZATION(DAILY AVERAGE POUNDS)

	% Aug. '75 Over Aug. '74	Aug. 1975	July 1975	Aug. 1974
Number of Plants - Pool		4	4	3
- Non-Pool		12	14	14
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 16.6	965,577	980,901	827,969
- Other Source	- 7.2	44,960	61,028	48,444
- Other Federal Order	- 80.3	8,912	6,472	45,317
Non-Pool Plants - Cl. I Sales in Area	- 28.8	43,898	48,625	61,622
TOTAL MILK RECEIPTS	+ 8.1	1,063,347	1,097,026	983,352
<u>UTILIZATION</u>				
<u>Class I Uses</u>				
Homo Milk	- 2.1	405,388	393,400	414,075
2% Milk	+ 11.9	256,953	253,448	229,701
Skim	- 9.0	19,816	19,523	21,786
Buttermilk	- 2.8	58,570	61,548	60,288
Flavored Milk and Drink	+ 1.1	27,752	24,733	27,463
Sub-Total of Pkg. Items (Pool Plants)	+ 2.0	768,479	752,652	753,313
Other, Shrinkage	+ 25.6	5,027	5,708	4,003
Sales to Non-Pool Plants		6,837	4,277	32
In Area Sales by Non-Pool Plants	- 28.8	43,898	48,625	61,622
TOTAL CLASS I USAGE	+ 0.6	824,241	811,262	818,970
<u>Class II Uses - Pool Plants Only</u>				
Sweet Creams - Routes	- 1.6	2,557	2,774	2,599
Sour Cream and Dip - Routes	+ 4.8	1,645	1,751	1,570
Yogurt - Routes	+ 10.4	476	458	431
Ice Cream	+ 14.9	95,419	121,549	83,048
Other	+ 28.0	59,877	56,652	46,791
Sales to Non-Pool Plants	+171.4	8,564	4,664	3,155
TOTAL CLASS II USAGE	+ 22.5	168,538	187,848	137,594
<u>Class III Uses - Pool Plants Only</u>				
Animal Feed and Dumped	+ 16.8	6,767	5,850	5,796
Class III Shrinkage	+ 24.5	17,326	14,723	13,918
Inventory Variation		14,486	(2,175)	(5,783)
Other, Overage, etc.		74	41	50
Bulk Sales to Non-Pool Plants	+149.2	31,915	79,477	12,807
TOTAL CLASS III USAGE	+163.4	70,568	97,916	26,788
<u>IN AREA PACKAGE ROUTE DISPOSITION</u>				
<u>BY POOL PLANTS AND NON-POOL PLANTS</u>				
Homo Milk	- 7.1	304,480	293,944	327,678
2% Milk	+ 11.1	175,853	176,110	158,308
Skim and 1% Milk	- 17.7	13,815	13,812	16,392
Buttermilk	- 3.9	45,074	47,181	46,886
Flavored Milk and Drink	- 3.2	20,532	18,030	21,218
Total Class I Disposition In-Area	- 1.9	559,754	549,077	570,482
<u>CLASS I PKG. ROUTE DISPOSITION</u>				
In-Area by Pool Plants	+ 1.4	515,856	500,452	508,860
In-Area by Non-Pool Plants	- 28.8	43,898	48,625	61,622

COMPUTATION OF WEIGHTED AVERAGE PRICE

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AUGUST 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	80.168	655,593	23,996,745	\$9.26	\$2,222,098.58
Class II Producer Milk	12.715	306,214	3,805,897	7.80	296,859.97
Class III Producer Milk	7.117	115,101	2,130,232	7.70	164,027.87
TOTAL PRODUCER MILK	100.000	1,076,908	29,932,874		\$2,682,986.42
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					10,048.27
Total Utilization Value @ 3.5% Test			29,932,874	8.996913	\$2,693,034.69
Less Producer Settlement Fund Reserve			29,932,874	.046913	14,042.41
WEIGHTED AVERAGE PRICE @ 3.5% TEST			29,932,874	\$8.95	\$2,678,992.28

AUGUST 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 9.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$8.47	3.6	\$9.046	4.2	\$9.622	4.8	\$10.198	5.4	\$10.774
3.05	8.518	3.65	9.094	4.25	9.67	4.85	10.246	5.45	10.822
3.1	8.566	3.7	9.142	4.3	9.718	4.9	10.294	5.5	10.87
3.15	8.614	3.75	9.19	4.35	9.766	4.95	10.342	5.55	10.918
3.2	8.662	3.8	9.238	4.4	9.814	5.0	10.39	5.6	10.966
3.25	8.71	3.85	9.286	4.45	9.862	5.05	10.438	5.65	11.014
3.3	8.758	3.9	9.334	4.5	9.91	5.1	10.486	5.7	11.062
3.35	8.806	3.95	9.382	4.55	9.958	5.15	10.534	5.75	11.11
3.4	8.854	4.0	9.43	4.6	10.006	5.2	10.582	5.8	11.158
3.45	8.902	4.05	9.478	4.65	10.054	5.25	10.63	5.85	11.206
3.5	8.95	4.1	9.526	4.7	10.102	5.3	10.678	5.9	11.254
3.55	8.998	4.15	9.574	4.75	10.15	5.35	10.726	5.95	11.302

CHATTANOOGA FEDERAL ORDER - MILK BASE RULES

The following Federal Order rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator prior to the first day of the month on which such division is to be effective.

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/		
	Per Hundredweight				Class I	Class II	Class III
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Cwt.	Cwt.
Aug. '74	\$8.21	-	-	7.7¢	\$8.46	\$6.49	\$6.39
Sept.	8.20	-	-	7.8	8.44	6.79	6.69
Oct.	8.35	-	-	7.9	8.54	6.92	6.82
Nov.	8.66	-	-	7.9	8.84	6.86	6.76
Dec.	8.43	-	-	7.5	8.97	6.51	6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	8.44 2/	\$8.75	\$6.86	7.8	9.00	6.96	6.86
Apr.	8.48 2/	8.78	6.95	8.0	9.00	7.04	6.94
May	8.60 2/	8.88	7.04	8.0	9.01	7.12	7.02
June	8.61 2/	8.90	7.13	8.0	9.09	7.21	7.11
July	8.76 2/	9.12	7.40	8.8	9.17	7.45	7.35
Aug.	8.95	-	-	9.6	9.26	7.80	7.70
Sept.	-	-	-	-	9.50	-	-
Oct.	-	-	-	-	9.85	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)					
	Chi. 92° Butter ¢ Lb.	Chi. Area Powder ¢ Lb.	Minn/Wisc. Mfg. Milk Cwt. -3.5%	Class I Pounds	Class II Pounds	Class III Pounds	Percentage Use		
							Cl. I	Cl. II	Cl. III
Aug. '74	67.08	57.05	\$6.39	719,339	89,630	19,000	86.9	10.8	2.3
Sept.	67.71	56.93	6.69	729,330	71,550	51,283	85.6	8.4	6.0
Oct.	68.84	56.91	6.82	745,752	68,293	34,930	87.8	8.1	4.1
Nov.	68.88	56.94	6.76	782,226	56,786	32,846	89.7	6.5	3.8
Dec.	65.32	56.74	6.41	725,078	60,395	136,814	78.6	6.6	14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9	9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2	14.1
Mar.	68.07	60.58	6.86	738,878	82,184	181,403	73.7	8.2	18.1
Apr.	69.19	60.66	6.94	759,785	108,797	146,159	74.9	10.7	14.4
May	69.19	60.36	7.02	780,974	92,334	110,920	79.3	9.4	11.3
June	69.19	60.44	7.11	721,087	118,266	113,532	75.7	12.4	11.9
July	76.62	60.45	7.35	758,335	126,105	96,461	77.3	12.9	9.8
Aug.	83.56	61.44	7.70	774,089	122,771	68,717	80.2	12.7	7.1

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No. Hdlers	Total Receipts	Class I Use	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
Aug. '74	17	983,351	818,969	3	579	827,969	-	3.62	1,430
Sept.	17	990,981	805,362	3	561	852,163	-	3.64	1,519
Oct.	18	1,009,566	848,006	4	517	848,975	-	3.77	1,642
Nov.	18	1,001,646	862,322	4	549	871,858	-	3.81	1,588
Dec.	18	1,030,894	790,484	4	616	922,287	-	3.94	1,497
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645
Mar.	18	1,124,083	803,678	4	567	1,002,465	841,666	3.87	1,768
Apr.	18	1,122,545	825,321	4	562	1,014,741	854,515	3.78	1,806
May	18	1,101,844	846,701	4	557	984,228	840,125	3.74	1,767
June	18	1,057,279	772,728	4	570	952,885	802,710	3.71	1,672
July	18	1,097,026	811,262	4	625	980,901	782,023	3.64	1,569
Aug.	16	1,063,347	704,708	4	612	965,577	-	3.60	1,578

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross minus Producer